

**MINUTES OF THE BOARD OF DIRECTORS  
HOLLYWOOD PROPERTY OWNERS ALLIANCE  
Thursday, November 21, 2013  
W Hotel Hollywood – Strategy room**

Directors Present	Frank Stephan, President	Clarett West Development
	Lynda Bybee, Vice President	Metro
	Monica Yamada, Treasurer	CIM Group, LP
	Don Mushin, Secretary	Toyota of Hollywood
	Greg Beck	Champion Real Estate
	David Benavente	Shine America
	Leslie Blumberg	The Fonda Theatre
	Chris Bonbright	Whitley Court Partners
	Joseph D'Amore	Hollywood Commercial
	Mark Echeverria (director-elect)	Musso and Frank
	Michael Gargano	Argent Ventures, LLC
	David Green	Nederlander Organization
	John Lyons	Avalon Hollywood/Bardot
	Jan Martin	AMDA
	Galo Medina	Comprehensive Financial Services
	Drew Planting	GPI
	Mark Stephenson	Hollywood UMC
	John Tronson	Tronson Investment Group
Directors Absent	Charlie Colletta	HEI, LLC
	Leron Gubler	Hollywood Chamber of Commerce (ex-officio)
Staff	Kerry Morrison	HPOA
	Joe Mariani	HPOA
	Devin Strecker	HPOA
	Joe Salazar	BID Security
	Steve Seyler	BID Security
Guests	Captain Peter Zarcone	LAPD Hollywood
	Captain Cory Palka	LAPD Hollywood
	Lt. Marc Reina	LAPD Hollywood
	Steve Romine	Romine Consulting
	Rick LaRue	Insurance West
	Beth Marlis	Musician's Institute

## **ANNUAL MEETING**

### **I. Call to Order**

The meeting was called to order by Board President Frank Stephan at 4:13 p.m. He thanked the board members for their dedication. He recalled highlights of his presidency. He said he believed the BID made great strides in nighttime security and public relations during this time also. He gave special thanks to the board members who were leaving the board at the end of their terms.

### **II. Election of Directors**

David Green thanked the members of the Nominating Committee; Monica Yamada and Beth Marlis, for their diligent work in preparing the slate of directors and officers. He presented the following slate to the board of directors:

- Marc Echeverria
- Galo Medina
- John Lyons
- David Benavente
- Michael Gargano

**It was moved by David Green, seconded by Lynda Bybee and CARRIED to approve slate of nominees to the board of directors to serve three- year terms through November, 2016. 14 voted in favor.**

### **III. Election of Officers**

David Green presented the slate of officers to be elected to the board:

- John Tronson, President
- John Lyon, Vice President
- Jan Martin, Secretary
- Drew Planting, Treasurer.

**It was moved by David Green, seconded by Mark Stephenson and CARRIED to approve slate of officers to serve one-year terms. 15 voted in favor.**

The annual meeting was adjourned by Stephan at 4:29 p.m.

## **MONTHLY BUSINESS MEETING**

### **I. Call to Order**

The meeting was called to order by new board president John Tronson at 4:29. Tronson thanked Stephan for his years of service as president.

### **II. Open Forum**

Jow D'Amore commented that there has been increased pedestrian and vehicular traffic in Hollywood the past few years, and he believes that there is a need to install left-turn traffic arrows at the intersection of Hollywood and Vine. He also thought that corner-to-corner crosswalks could help pedestrian traffic at busy intersections in Hollywood. Morrison said this would be an item for the Streetscape and Planning Committee to look into.

### **III. Approval of Minutes**

**It was moved by Galo Medina, seconded by Don Mushin and CARRIED to approve the minutes from the Board's October 17, 2013 meeting. 15 voted in favor.**

### **IV. Treasurer's Report**

- A. Review and approve 2014 budget:** Yamada presented what she called a simplified version of the 2014 budget, noting that she had worked to reformat the presentation to document the cash position of the organization. The 2014 budget is built on assessment revenues of \$3,495,098, which is slightly less than 2013. It also assumed a three percent delinquency factor. The Budget Working Group (which consisted of Drew Planting and Galo Medina) ultimately settled on recommending a \$200,000 rollover from the 2013 year-end cash on hand. In the future, budgets may have the ability to increase somewhat with additional assessment income from new development, CPI increases and/or recovered delinquencies.

**It was moved by Frank Stephan, seconded by Drew Planting and CARRIED to approve 2014 budget for Hollywood Entertainment District. 14 voted in favor.**

- B. Review and approve proposed changes to 401(k) plan:** Morrison explained that currently, all employees are entitled to a 3% employer contribution, after one year of service, whether or not they contribute to the program. The proposed change, which was originally introduced at the October board meeting, would offer up to 4% contingent upon the employee participation/match.

**It was moved by Mark Stephenson, seconded by Frank Stephan and CARRIED to approve the changes to the 401(k) program which will allow a maximum four percent employer contribution contingent upon employee match. 14 voted in favor.**

- C. Review and approve 2014 Planning Report for Hollywood Entertainment District to submit to city:** Morrison distributed a draft copy of the 2014 Planning Report, which captures the budget information approved by the board, and applies a narrative to describe the services to be provided in the coming year. It was noted that the chart on page one needed to be updated, and a formula updated on page 5, which the staff would adjust based upon the budget approval at this meeting.

**It was moved by Galo Medina, seconded by Mark Stephenson and CARRIED to approve 2014 Planning Report for Hollywood Entertainment District. 14 voted in favor.**

- D. Review and approve 10-31-13 financial statement:** Yamada presented the YTD profit/loss statement and reported there are small variances, with the potential exception of insurance costs. There will be \$450,000 - \$500,000 cash left at the end of the year, and the board approved rolling over \$200,000 into the 2014 budget.

**It was moved by Galo Medina, seconded by Mark Stephenson and CARRIED to approve 10-31-13 financial statement. 14 voted in favor.**

### **V. Old Business**

- A. Directors & Officers/EPLI Insurance:** Morrison provided some historical background to the board relative to the insurance situation impacting the Directors & Officers EPLI coverage. A briefing memo dated Nov 20 was distributed. Both Rick LaRue, of Insurance West, and Steve Romine, the Associations' insurance

consultant, were in attendance to help explain the situation. The D&O Policy expired on October 4, 2013. Our previous policy cost \$7600 for a \$2M core policy and \$3M excess. The city requires us to carry \$500,000, but the board opted in 2001 to increase to \$5M, as at that time, it did not cost much to add to the coverage. But this fall, the price rose to \$15,500 for the \$2M core policy (obtained), with an additional \$9000 for the \$3M excess policy (pending). Staff has been discussing options to obtain a lower rate, but due to uncertainty in the insurance market, it may not be possible. LaRue stated that he checked with 17 different markets and there is not a carrier that will issue a \$5M policy. Romine recommended that directors check with their homeowners and umbrella policies for another level of personal protection. The board discussed whether or not the \$3M excess policy was still needed. Several actions were discussed, including deferring the decision until the December 19, 2013 meeting when Association counsel, Jeff Briggs, would be in attendance and seeking a potential extension until the December meeting.

It was moved by David Green, seconded by Mark Stephenson and **CARRIED allocate an additional \$9,000 from the insurance budget to bring the D/O policy coverage to \$5M.**

## **VI. Committee/Activity Reports**

### **A. Security**

- 1. Report from November 14, 2013 meeting:** Tronson and Mariani reported on the recent committee meeting. Captain Palka stated that LAPD continues to deploy 60 officers during the night, at a cost of \$3M annually in the Hollywood Entertainment District. Captain Palka also noted that the increased deployment appears to have also led to a decrease in crime during evening hours. Additionally, the LAPD has continued to maintain and build on their relationship with the city attorney's office as the department is continuing to try and obtain stay away orders for problematic individuals in the area. The LAPD is also seeking to increase visibility, as part of this LAPD foot patrol teams will be deployed during evening hours in three key areas across the Hollywood Entertainment District. Captain Palka thanked the BID for the collaboration on the night time security project, as LAPD has enjoyed having the extra observe and report foot patrols provided by the BID out two nights a week. Mariani added that Seyler had reported the night time detail was going well, however due to its observe and report type nature it has been hard for BID security to quantify the patrol's impact.
- 2. Upgrade of video surveillance system for LAPD:** Mariani reported that at the beginning of November Captain Zarcone, along with representatives from both the LAPD and the BID security committee toured the recently updated video surveillance system at Cal State Dominguez Hills Police Department. The system is similar to the proposed system upgrade for Hollywood station. Mariani showed the board a YTD security budget for their review which included two components: patrol and contingency. Mariani noted that the patrol budget is anticipated to be slightly over as the nighttime patrol has added additional cost. The contingency budget has been used for such expenditures as the current camera system's maintenance plan, miscellaneous expenditures, and an earmarked portion for homeless outreach. If the board chose to upgrade the current surveillance system, there would be no need for a maintenance cost next year, as maintenance would be included for one year. It was the request of the security committee that the board considers purchasing the upgrade, as opposed to continuing the nighttime patrol, as the committee felt there was not sufficient funds to do both efforts in 2014. Captain Zarcone stated that he is definitely in favor of updating the current camera system at the Hollywood station. Lt. Reina also added that the availability of a new system in 2014 would greatly assist detectives in their efforts. Mariani said that in speaking with Metro Video he seemed to think that the system could be up and running by mid to late February, with additional pieces being added on in phases as funds became available. Part of these additions would include a potential MESH network which would be installed in steps and would make the scalability of the system much easier, should the LAPD need to expand it at a later time. Tronson added that he felt

the purchase was a good use of Security funds and looked forward to its continued growth as new technology and funds become available.

It was moved by Mark Stephenson, seconded by Galo Medina and **CARRIED to allocate balance of remaining 2013 contingency budget (approximately \$53,000) to place deposit on upgrade of LAPD video surveillance system, with the remainder of costs to be paid from the 2014 Security Contingency budget. Unanimously approved with 15 votes in favor.**

## **B. Streetscape and Planning**

- 1. Report from November 12 meeting:** Besley reported that Steven Whiddon and Gary Benjamin from the Council Office (and Tom LaBonge) were in attendance, and the committee spent much of the meeting talking about projects and priorities for 2014 – many of which are underway. A summary sheet is included in the packet, which lists the various capital and maintenance projects in both BIDs.
- 2. Competitive bidding update – annual maintenance contract:** Besley stated that we received four proposals in response from our RFP. The vendors included: Cleanstreet (our current vendor), Street Plus, ABM, and Premier Street Services. The Selection Committee, comprised of Don Mushin, Mark Echeverria, Carol Massie and Elizabeth McDonald are in the process of evaluating the proposals and selecting the vendors they would like to interview on Dec. 4<sup>th</sup>. It is expected that the committee will have a recommendation for the board on December 19<sup>th</sup>.
- 3. Landscape services:** Besley reported that since the utilities have been shut off at the La Brea median, the Streetscape & Planning Committee has begun envisioning a landscape scheme that is both native and drought-tolerant. To that end, staff requested a proposal from Landscape Architect Diane Scanlan (included in the board's packet) to help identify a design utilizing various plants, ground cover, and potential hardscape. The proposal, which would cover about 18 hours of her time, is not to exceed \$1530. Once the plan is developed, the committee will forward a bid from Diane for field work and oversight of the project.

It was moved by Lynda Bybee, seconded by John Lyons and **CARRIED approve the agreement with Diane Scanlan for design fees for the LaBrea Median, not to exceed \$1,530 from the Beautification budget. Unanimously approved with 15 votes in favor.**

Besley also stated that due to the unusually dry weather and challenging conditions (such as vandalism and car impacts), staff requested a referral for a landscape services contractor to assist with watering, tree well maintenance and gardening services for the approximately 80 trees planted in the BID over the past five years. Staff conducted a walk-thru with Landsco, based in the San Fernando Valley, and received a quote for these services, which is included in the packet. Costs are at or below the same rate as those priced by a non-profit in 2008 that bid on the tree-planting project. The Streetscape Committee supports this proposal, which would ultimately replace any landscape services provided by the current maintenance contractor, Cleanstreet. The board was asked for a NTE expenditure for \$4000 to bring all the trees and tree-wells up to good condition and ensure watering occurs during weeks when we don't receive rain. This is a one month proposal at this point and is an outward limit of what the services will cost.

It was moved by Jan Martin, seconded by Mark Stephenson and **CARRIED approve the agreement with Landsco for district-wide landscape enhancement initiative at a cost of \$4,000 from the Beautification budget. Unanimously approved with 15 votes in favor.**

### C. Marketing and Communications

1. **Report from blogger tour, 11-16-13:** Strecker reported that the second in our series of blogger tours, dubbed the Creative+Eclectic+Glam Retail Tour, was last Saturday, November 16 from 10a.m. until 12:30 p.m. around the Hollywood & Highland Area. Places visited included an exclusive Hard Hat tour of Muji, opening December 14 at the Hollywood Galaxy; Carmen Steffans, a Brazilian shoe and handbag company at Hollywood & Highland; the Fredericks of Hollywood flagship lingerie store; As the Record Turns at the Artisans Patio; and the amazing Artstring Botique on Cherokee. The group was treated the group to sliders and lemonade at Mel's Diner before heading to the newly-opened Ghirardelli Chocolate Soda Fountain at the El Capitan, where the bloggers were treated to chocolate sundaes and samples of their chocolate bars. The format of the tour helped to develop message points to ensure that the bloggers saw this as a bigger picture of Hollywood, rather than just focusing on the MUJI opening. Key messages were sent ahead of time to Racked and LA Times who both did features on MUJI.
2. **Strategic direction for 2014 – draft to review:** Strecker reported that after working with Haines & Co. since April, strategies have been developed for the coming year, as shown in the document in the meeting packet. Board member input is important to create the plan for 2014. Input has been received so far from John Lyons; Jan Martin; John Tronson, Chase Gordon and Brandon Mason at Avison Young; Ryan Kvalvik at Clarrett, Keith Wyatt at Musicians Institute, and David Gajda. The next meeting of the working group meeting is December 11 at 11:30 a.m.
3. **Hollywood Visitors Guide:** After a rough start, Strecker was able to modify the printed visitor's guide slightly so that the same value could be provided to the advertisers, but enhanced by plans to create an electronic and app versions of the guide working with Bar Z Adventures. Where Magazine helped tremendously with ad sales, and was able to find several new advertisers, including MUJI, Big Wags, Second City and Street Rod Tours. Currently, sales are at \$67,400 and there may be one possible upgrade of an additional \$600 for one of the advertisers going to a coupon, and the front cover will add \$15,000-\$20,000. **The grand total for printing the new, slightly smaller map, is \$77,000, and the HPOA is projected to make a minimum of \$83,000 which leaves approximately \$6,000 to seed the app and electronic versions, as well as the poster size kiosk maps.** There was a proposal from Madame Tussauds to link support of the front cover of Visitors Guide in return for HED sponsorship of Madame Tussauds pole banners in 2014, but Madame Tussads was not present to discuss the proposal, and Morrison reported that the Hollywood Wax Museum had since made an offer to purchase the cover.
4. **Seismic Messaging:** Jan Martin reported that she and Morrison attended a panel discussion arranged at the Chamber about seismic issue with four structural engineers. Morrison stated that the panel was intended to educate and equip, but that she and Gubler have since backed off the idea of penning an op-ed piece.

### VII. New Business

1. **Los Angeles (incorporating Hollywood) competing to be a designated Federal Promise Zone:** Morrison reported that the city of LA is one of 20 cities in the country that are in a position to compete to be designated a Promise Zone by the federal government. If LA receives this designation, it will allow this region to compete for federal grants, and benefit from tax incentives for hiring and investing. Hollywood's boundaries fall within the LA Promise Zone. The Mayor's office has asked for letters of support.

It was moved by John Lyons, seconded by Jan Martin and **CARRIED to authorize a letter to be drafted on behalf of HPOA board, to Secretary of Housing and Urban Development supporting LA City's application for a Promise Zone designation for an area which will include Hollywood.**

**VIII. EXECUTIVE SESSION**

Kerry Morrison reported on a plan she is developing to re-organize staff functions in 2014 to support the strategic marketing blueprint recommended by Haines & Co and to create capacity on staff to embark upon more proactive economic and business development activities. This will require re-framing some position descriptions and relying upon temporary labor, consultants or outsourcing of certain functions. She sought general guidance on the direction this is heading, and also plans to meet one-on-one with several board members for additional ideas and input. The board encouraged her to return in December with a fleshed out plan.

**IX. Next Meeting:** The next meeting is scheduled for December 19, 2013.

**X. Adjournment**

The meeting was adjourned for the annual dinner.